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## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

January 31, 2006

CERTIFIED RETURN RECEIPT  
7002 0510 0003 8603 2410

Clifton Mining Company  
Keith Moeller  
80 West Canyon Crest Road  
Alpine, Utah 84004

Subject: Five-Year Review of Reclamation Surety Estimate, Clifton Mining Company, Cactus Mill, M/045/049, Tooele County, Utah

Dear Mr. Moeller:

Thank you for providing the information requested for the five-year review of the Cactus Mill. The Division finds based on the information reviewed along with a site visit, that the only changes required for the reclamation cost estimate is a five-year escalation. The surety escalated to the year 2011 is \$42,300. A Surety Estimate Update is attached for your use. Please provide the updated surety within 60 days or no later March 31, 2006.

Please contact Beth Ericksen at (801) 538-5318 ([BethEricksen@utah.gov](mailto:BethEricksen@utah.gov)) to obtain the current bonding forms and information to amend the reclamation contract. Current bonding forms and information are also found on the Division's web page at <http://ogm.utah.gov/minerals/>. Please fax a "draft" copy of the documents to (801) 359-3940 for review prior to finalizing the surety.

If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. White".

Susan M. White  
Mining Program Coordinator  
Minerals Regulatory Program

SMW:jb

Attachment: Surety estimate update

cc: Larry Garahana, BLM, State Office (U-73999)  
Doug Jensen, DOGM  
Beth Ericksen, DOGM

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# SURETY ESTIMATE UPDATE

Clifton Mining Company

18-Jan-06

Cactus Mill

FILE # M/045/049

Tooele County

Prepared by Utah Division of Oil, Gas & Mining

Last Update

7-Feb-01

## DESCRIPTION:

- Previous reclamation surety estimate was \$38,8000 in year 2000 dollars
- Reclamation Estimate base amount calculated in 2000-\$
- This update adjusts the surety amount for escalation only.

-Escalation factors through 2004 are actual Means Historical Cost Indices

-Total disturbed area = 8.9 ACRES

CALCULATIONS $F = P(1 + i)^{**n}$	YR	ESCAL FACTOR	BOND AMOUNT
	1995	0.0193	\$0.00
F = Future Sum	1996	0.0242	\$0.00
P = Present Sum	1997	0.0236	\$0.00
i = Escalation Factor	1998	0.0502	\$0.00
n = number of periods	1999	0.0191	\$0.00
	2000	0.0244	\$33,224
Three Yr Average =1.20%	2001	0.0421	\$34,623
Used to Project 5 Yrs	2002	0.0171	\$35,215
From the Year 2005	2003	0.0840	\$38,173
	2004	0.0200	\$38,936
	2005	0.0120	\$39,404
	2006	0.0120	\$39,876
	2007	0.0120	\$40,355
	2008	0.0120	\$40,839
	2009	0.0120	\$41,329
	2010	0.0120	\$41,825
	2011	0.0120	\$42,327
Updated Surety Amount Rounded (2011-\$)			\$42,300

\*\* Average cost per acre = 4756 (\$/ACRE)